UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

LEIGHTON TECHNOLOGIES LLC,

Plaintiff and Counterclaim Defendant,

04 Civ. 2496 (CM)(LMS)

V.

REPLY TO COUNTERCLAIMS

OBERTHUR CARD SYSTEMS, S.A.,

Defendant and Counterclaim Plaintiff.

_____;

Plaintiff and Counterclaim Defendant, Leighton Technologies ("Leighton"), by its undersigned counsel, replies as follows to the Counterclaims of Defendant and Counterclaim Plaintiff, Oberthur Card Systems, S.A. ("OCS").

- 1. Regarding the allegations set forth in Paragraph 33 of the Counterclaims, Leighton admits that OCS purports to state a counterclaim.
- 2. Regarding the allegations set forth in Paragraph 34 of the Counterclaims, Leighton denies that this Court has jurisdiction under 28 U.S.C. §§ 1331 and 1338(a), and 35 U.S.C. § 291, but admits that the Court has jurisdiction over it.
 - 3. Leighton admits the allegations set forth in Paragraph 35 of the Counterclaims.
 - 4. Leighton admits the allegations set forth in Paragraph 36 of the Counterclaims.
 - 5. Leighton admits the allegations set forth in Paragraph 37 of the Counterclaims.
 - 6. Leighton denies the allegations set forth in Paragraph 38 of the Counterclaims.
 - 7. Leighton denies the allegations set forth in Paragraph 39 of the Counterclaims.
- 8. Leighton denies the allegations set forth in Paragraph 40 of the Counterclaims, except that it admits that an actual and justiciable case and controversy exists between Leighton and OCS.

- 9. Leighton denies the allegations set forth in Paragraph 41 of the Counterclaims.
- 10. Regarding the allegations set forth in Paragraph 42 of the Counterclaims, Leighton repeats and realleges its responses to paragraphs 33 through 41 inclusive as if fully set forth here.
- 11. Regarding the allegations set forth in Paragraph 43 of the Counterclaims, Leighton admits that OCS purports to state a counterclaim and a basis for jurisdiction.
- 12. Leighton denies the allegations set forth in Paragraph 44 of the Counterclaims, except that it admits that Keith Leighton caused to be filed, on September 22, 1998, an application that matured into the '155 patent.
 - 13. Leighton admits the allegations set forth in Paragraph 45 of the Counterclaims.
 - 14. Leighton admits the allegations set forth in Paragraph 46 of the Counterclaims.
 - 15. Leighton admits the allegations set forth in Paragraph 47 of the Counterclaims.
 - 16. Leighton admits the allegations set forth in Paragraph 48 of the Counterclaims.
 - 17. Leighton denies the allegations set forth in Paragraph 49 of the Counterclaims.
 - 18. Leighton denies the allegations set forth in Paragraph 50 of the Counterclaims.
 - 19. Leighton denies the allegations set forth in Paragraph 51 of the Counterclaims.
 - 20. Leighton denies the allegations set forth in Paragraph 52 of the Counterclaims.
- 21. Leighton denies the allegations set forth in Paragraph 53 of the Counterclaims, except that it admits that an actual and justiciable case and controversy exists between Leighton and OCS.
 - 22. Leighton denies the allegations set forth in Paragraph 54 of the Counterclaims.

AFFIRMATIVE DEFENSE

21. As a further defense to the Counterclaims and to each and every cause of action purported to be asserted therein, Leighton responds that the Counterclaims fail to state any claim upon which relief can be granted.

PRAYER FOR RELIEF

WHEREFORE, Leighton prays for judgment against OCS as follows:

- A. That the Counterclaims be dismissed and the relief sought by OCS be denied such that OCS take nothing;
 - B. For judgment in favor of Leighton on the Counterclaims;
- C. For costs, including such reasonable attorneys' fees as the Court may find recoverable; and
 - D. For such further or alternate relief as the Court deems just and proper.

Dated: July 26, 2004

New York, New York

LEIGHTON TECHNOLOGIES LLC

By <u>/s/ Patrick L. Parker</u>
Michael A. O'Shea (MO-7985)
Patrick L. Parker (PP-5892)
Jin-Suk Park (JP-1512)

CLIFFORD CHANCE US LLP 31 West 52nd Street New York, NY 10019-6131 Tel: 212-878-8000 Attorneys for Plaintiff

Of Counsel:

Neil G. Cohen (NC-0648) General Patent Corporation International 75 Montebello Road Suffern, NY 10901-3740 Tel.: 845-368-2264 Attorney for Plaintiff

CERTIFICATE OF SERVICE

The undersigned hereby certifies under penalty of perjury that on July 26, 2004, I caused a true and correct copy of the foregoing "REPLY TO COUNTERCLAIMS" to be served on counsel for defendant by facsimile and U.S. Mail, as follows:

James David Jacobs, Esq. Baker & McKenzie LLP 805 Third Avenue New York, NY 10022 Fax: 212-310-1651

Dated: July 26, 2004

New York, New York

/s/ Damien A. Morris
Damien A. Morris